

San Antonio, Inc.

Executive Summary & Update

Milestones and Recent Accomplishments

- ✓ - SA Inc. partnership established by City Council ordinance with 65 economic development entities (5-24-01).
- ✓ - *Strategic Plan for Enhanced Economic Development* approved by City Council ordinance (5-24-01).
- ✓ - 16-member Executive Board formed; organizational workshop held to coordinate strategies (1-29-02).
- ✓ - Economic Development Coordinator hired by City of San Antonio to provide full-time staff support (5-1-02).
- ✓ - 6 additional strategies from the *Mayor's Blue Ribbon Commission* process added to *Strategic Plan* (6-18-02).
- ✓ - SA Inc. Executive Board approves staff-proposed accountability process and tracking system (6-18-02).
- ✓ - *First Monday Report*, the monthly SA Inc. e-mail newsletter and staff update, established (9-2-02).
- ✓ - Initial tracking sheets for all 43 strategies prepared by SA Inc. Coordinator and Lead Entities (9-10-02).
- ✓ - SA Inc. Executive Board hosts discussion of potential legislative issues related to strategies (9-10-02).
- ✓ - Set of 29 recommended refinements to existing strategies approved by Executive Board (11-12-02).
- ✓ - New strategies for business retention/expansion and marketing/incentives presented to Executive Board (11-12-02).

Key Events and Upcoming Dates

- ✓ - Tracking sheet updates and revisions due from all lead entity contacts for *Economic Roundtable* (1-21-03).
- ✓ - *Economic Roundtable* scheduled to report strategic plan results and develop new strategies (2-25-03).
- ✓ - Initial meeting of SA Inc. Board of Governors with Executive Board to review recommendations. (3-03)
- ✓ - Final review and approval of proposed *Strategic Plan* updates and revisions by City Council (5-03).
- ✓ - Publication of two-year update of *Strategic Plan for Enhanced Economic Development* (7-03).
- ✓ - Future Executive Board topics: State and Federal legislation, joint marketing efforts, re-branding San Antonio for economic development purposes, additional infrastructure needs, refine list of targeted driver industries.

Strategic Plan for Enhanced Economic Development - Status

- ✓ - 43 strategies currently comprise the *Strategic Plan*, including 37 from the original version, 6 items from the *Mayor's Blue Ribbon Commission*, 2 new items proposed by the Executive Board, less 2 strategies that have been merged.
- ✓ - 38 of 43 strategies are partially or substantially implemented.
- ✓ - 5 strategies are currently in the development stage or are being substantially revised.
- ✓ - Most are long-term strategies with multiple action steps that will remain ongoing for many years.

The Strategies – Results to Date:

- ◆ 1.1(1) – **Flagship status (i.e. Tier I Doctoral/Research Extensive Status) for UTSA** (Lead: UTSA)
Sixteen new doctoral degree programs are under development including ten Ph.D. programs for the new UTSA/UTHSCSA Joint Life Sciences Institute; \$84 million Biotechnology, Sciences, and Engineering Building (98 faculty offices and 30 labs) to be built by January 2005; seeking \$2.8 million in continuing funding for the UTSA-Brooks Bioprocessing-Biotechnology Center.
- ◆ 1.1(2) – **Comprehensive Texas A&M University System Campus in South SA** (Lead: Texas A&M University System)
Texas A&M University Kingsville System Center - San Antonio established in 1999 with current enrollment of 500 students. State Senator Madla to file legislation to establish a full service Texas A&M University System campus in San Antonio. Site selection process underway.
- ◆ 1.1(3) – **Education programs to grow and sustain targeted driver industries** (Lead: ACCD)
Alamo Area Aerospace Academy (AAAA) and Information Technology Security Academy (ITSA) established through the cooperative efforts of ACCD, the City of San Antonio, local aerospace companies and 17 independent school districts. A state of the art Advanced Technology Center (ATC) was established at KellyUSA to provide training for targeted driver industries.



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- ◆ **1.1(4) – Implement Aviation Industry Strategic Plan (Nov. 2000) for the City's aviation facilities (Lead: COSA-EDD & Aviation)**
Four non-stop passenger routes have recently been added (Detroit, San Diego, Raleigh Durham, and Cleveland); \$426 million CIP approved for the SA International Airport, including a \$26.8 million terminal renovation; SA becoming a center of excellence for Aircraft Maintenance, Repair, and Overhaul (MRO); 4000 new aerospace jobs created at KellyUSA - Boeing, Lockheed Martin, Chromalloy, & Pratt & Whitney.
- ◆ **1.1(5) – Implement the San Antonio Technology Accelerator Initiative (SATAI) action plans (Lead: SATAI)**
South Texas Funding Forum held Nov. 2002 to provide entrepreneurial "boot camp" and match seed and angel investors with local entrepreneurs. Entrepreneurial, Research, and Marketing Alliances formed. H. Randall Goldsmith, Ph.D., hired November 2002 as new SATAI Executive Director. Developing strategies to encourage formation/recruitment of targeted driver industries.
- ◆ **1.1(6) – Establish a Biotechnology Initiative Center (new BSEB Building at UTSA) (Lead: UTSA)**
Groundbreaking for an \$84 million, 221,000 sq. ft. Biotechnology, Sciences, and Engineering Building (BSED) scheduled for Spring 2003. New Joint Life Sciences Institute with 10 proposed UTSA and UTHSCSA joint degree programs approved by the 77th Legislature. Seeking \$12 million in special funding from the 78th Legislature (2003 session) to support the Institute.
- ◆ **1.1(7) – Implement logistics/transportation industry action plans (Lead: Free Trade Alliance)**
The logistics/transportation industry action plans include a variety of components currently being implemented or planned, including the Inland Port San Antonio Initiative, the recently-completed San Antonio Air Cargo Study, proposed SH-130, the Kelly Park-way project, new border inspection stations, and establishment of a trade processing center at KellyUSA.
- ◆ **1.1(8) – Position San Antonio as a top 5 leisure-visitor/corporate meetings & convention destination (Lead: COSA-CVB)**
Developer selection process and financing plan underway for a convention center hotel (1,000 rooms to open in 2007). Henry B. Gonzalez Convention Center expansion completed Summer 2001. Re-modeling of original convention center facade in planning. Creating new value-added visitor packages (hotels, restaurants, tours, arts, and attractions).
- ◆ **1.1(9) – Prepare for another potential round of base closure and realignment (BRAC) in 2005 (Lead: COSA-EDD)***
San Antonio Military Missions Task Force (COSA, Bexar County, and Greater Chamber) has been established. A strategic plan to retain existing military missions and jobs and attract new military missions to SA is under development. Meetings with elected officials and DoD representatives continue. U.S. Army South Headquarters relocating to San Antonio in 2003 bringing 500 new jobs.
- ◆ **1.1(10) – Market SA's technology industry assets to the international community (Lead: COSA-International Affairs)***
Trade missions to Africa, Brazil, Canada, Chili, China, Mexico and Spain planned to promote SA's high tech industries (computer security, biotechnology, aerospace, etc.) and facilitate business between SA and our foreign partners. Trade alliance with Regensburg, Germany initiated. Second Trilateral Technology Summit hosted by SA in September 2002; third summit in Monterrey, Mexico in fall 2003.
- ◆ **1.1(11) – Position San Antonio as a Center for Homeland Security Solutions (Lead: COSA-Mayor's Office)***
Steering Committee, Strategy Working Group, and Lobbying Committee established to organize and focus work required to bring the federal vaccine facility to San Antonio. Preparing for a potential RFP for a federal vaccine facility. Developing and promoting local biotechnology industry and community-wide strategies to pursue other Homeland Security initiatives.
- ◆ **1.2(1) – Implement the Inland Port San Antonio initiative (Lead: Free Trade Alliance)**
Free Trade Alliance working to establish two or more cross-border trucking operations in San Antonio by early 2003. New International Trade Data System (ITDS) to be implemented in 2003 will allow shippers ability to pre-process their shipments to and from Mexico from offices in SA. Pursuing legislation to establish SA International Airport as a permanent customs port of entry.
- ◆ **1.2(2) – Leading medical research/treatment center for high incidence diseases in South Texas (Lead: UTHSCSA)**
Key strategy components include the proposed UTHSCSA Institute for Integrative Biology; the Barshop Center for Longevity and Aging Studies; the UTHSCSA Children's Cancer Research Center; a proposed Molecular Therapeutics/Chemical Biology program; establishment of education, research and treatment centers for diseases that have a high rate of incidence in South Texas through The South Texas Border Strategy; and integrating local, state, regional and federal plans for public health preparedness and bio-terrorism research.



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- ◆ **1.2(4) – Capitalize on implementation of the cross-border trucking initiative with Mexico (Lead: Free Trade Alliance)**
The Free Trade Alliance has developed a special training and technical assistance program that assists Mexican carriers through the process of obtaining US operating authority. Upon completion of the program, Mexican carriers will have their operating authority, trucks inspected, and personnel trained for cross border service.
- **1.3(1) – Market San Antonio to grow and diversify the City's economy; enhance incentives (Lead: San Antonio EDF)***
A new strategy under development that includes several ongoing and new programs. Key components include a review of targeted driver industries for San Antonio, exploration of options to enhance marketing efforts, coordination of marketing trips among San Antonio, Inc. members, and exploration of additional incentives to attract targeted industries.
- **1.3(2) – Proactive process to encourage local growth and expansion of current San Antonio firms (Lead: CPS)***
A new strategy to encourage local business retention and expansion. Selected visitation teams will call upon key existing corporations and other business entities with significant economic impact on San Antonio. A rapid response team comprised of SA Inc. partners will address issues/concerns/opportunities that emerge from visits.
- ◆ **2.1 (1) – Streamline business development processes; Development & Business Services Center (Lead: COSA - Dev. Services)**
Key action steps include opening of the new Development and Business Services Center in early 2003, process enhancements to include reductions in turnaround time of new construction projects (50 to 35 days) and interior finish out (32 to 18 days), development of a Customer Service Plan, electronic permitting, and a variety of initiatives to improve the public's knowledge of the development process.
- ◆ **2.1 (2) – Implement the new UDC and establish the Development Services Department (Lead: COSA - Development Services)**
Development Services Department created March 1, 2001 through consolidation of portions of three City Departments. New Unified Development Code (UDC) adopted May 3, 2001 providing time limits for plan review and master plan development. Five (5) new land use development patterns and four (4) zoning districts to provide additional flexibility.
- **2.2 (1) – Support programs that connect education systems with employer needs. (Lead: COSA - Mayor's Office)**
A series of educational programs and initiatives are envisioned to better connect the education systems with employer needs, especially within targeted driver industries, with an emphasis in mathematics, science, and technology literacy.
- ◆ **2.2 (2) – Align workforce development programs with labor market needs of targeted driver industries (Lead: AWD)**
The Alamo Workforce Development Board is developing a strategic plan for the Alamo Area Workforce Development system. A series of labor market information surveys to collect information on hiring projections, wages, turnover, education & skills requirements, etc. in selected targeted industries will be conducted in 2003.
- **2.2 (3) – Stronger partnership to coordinate economic and workforce development policies (Lead: COSA - Mayor's Office & City Manager's Office)**
A series of programs and initiatives are envisioned to form a stronger partnership with targeted driver industries, job training programs, Alamo Workforce Development, and City and County job programs to coordinate economic and workforce development policies.
- ◆ **2.2 (5) – Infrastructure investments to support targeted driver industries (Lead: Greater SA Chamber/SAMCO, Inc.)**
Key infrastructure components include capacity improvements to major transportation corridors; links between San Antonio and the proposed SH 130 and Trans Texas Corridor Plans; establishment of a Regional Mobility Authority (RMA) for Bexar County; improved access to Kelly USA; and updated storm water management and regional flood control plans. Various water and energy components are also being added to the plan.
- ◆ **3.1 (1) – Eliminate barriers to ensure fair competition in government contracts (Lead: Alamo City and Hispanic Chambers)**
Key strategy components include a review of current contracting policies and practices to ensure the process does not bar participation or favor any one group; development of a program that provides specific feedback for unsuccessful bidders; and identification of options to streamline and simplify the procedures used to support business owners.
- ◆ **3.1 (2) – Educate small businesses on ways to participate in the new economy (Lead: UTSA-SBDC)**
This strategy consists of hundreds of ongoing and planned small business outreach and education programs, one-on-one counseling, and annual conferences/special events highlighting opportunities in the new economy, i.e. high technology targeted driver industries. The programs are offered by the UTSA-SBDC, chambers of commerce, FTA, SATAI, and other SA Inc. partners.

- ◆ **3.1 (3) – Include small business in the development & expansion of targeted driver industries (Lead: North SA Chamber)**
This strategy consists of several recommendations to create a broad and accessible system to promote public and private contracting opportunities, including establishment of a public access channel to facilitate contracting/procurement opportunities. Also exploration of linkages for small businesses with the SATAI Network.
- ◆ **3.1 (4) – Educate targeted industries on benefits of small business utilization (Lead: Hispanic Chamber)**
Primary focus is on establishing working relationships with the area's largest companies to capture the mutual benefits of effective small and minority-owned businesses in the most rapidly expanding industry sectors. To date, 31 company visits have been made. The recently implemented Hispanic Chamber's "Think Big Buy Small Campaign" is an additional strategy component.
- ◆ **3.1 (5) – Assess the City's Small, Minority, & Women-Owned Business Advocacy Program (Lead: COSA-EDD)**
Strategy elements include a review of current policy, program implementation, and operational processes to ensure the most aggressive and effective program, including application of "best practices" methodologies used by other public and private sector organizations. A consultant will be hired to review the 2002 Availability Study that benchmarks participation of small, minority & woman-owned businesses in public contracting in San Antonio.
- ◆ **3.1 (6) – Enhance access to capital and credit for small business (Lead: COSA-EDD)**
The San Antonio Local Development Company (COSA-EDD) is implementing a marketing plan that includes co-marketing with SBA, Accion, CDLF, and local banks. The marketing plan will focus on educating bankers & borrowers on the advantages of SBA programs. Also exploring policies and legislation that will increase prospects for securing small business loans.
- **3.1 (7) – Create new high school entrepreneurial curriculum on basics of business and finance (Lead: To be determined)***
A recommendation from the Mayor's Blue Ribbon Commission process to create an entrepreneurial curriculum in area high schools to focus on teaching the City's youth the basics of business management and finance. The program would be modeled after the Project Phoenix model. Strategy is under discussion.
- ◆ **3.2 (1) – Implement the KellyUSA Initial Base Adjustment Strategic Plan (Lead: Greater Kelly Development Authority)**
To date over 6.8 million square feet of space has been leased, which has created or retained a total of over 12,000 jobs. An additional 4.1 million square feet is being aggressively marketed. GKDA continues to identify and obtain funding from federal, state, local, and private sources to implement the Strategic Plan - \$95 million to date.
- ◆ **3.2 (2) – Leverage physical and intellectual assets of San Antonio's research & education institutions (Lead: SATAI)**
SATAI has established specific goals for assisting early stage companies to organize, acquire technology, and obtain funding (30 to 40 companies within three years), for organizing an Angel Investor Network, for establishing one or more Seed Money Venture Capital Funds, and for encouraging pro-active technology transfer.
- ◆ **3.2 (3) – Continue San Antonio River Channel Improvements Project (Lead: San Antonio River Authority)**
Downtown Reach (Houston Street to Lexington Avenue) Phase II completed in October, 2002. Development of preliminary design for Historic Mission and Museum Reaches continues through February, 2003. Initial phase of Corps of Engineers study of Eagleland Reach Project to be completed in 2003.
- ◆ **3.2 (4) – Continue implementation of the Downtown Strategic Plan (Lead: COSA-EDD)**
Seeking City Council approval of Victoria Courts redevelopment project to create a community of 800 households on the former Victoria Courts site. Continuing to pursue objectives from 1992 Historic Civic Center Master Plan. By 2005 complete renovations to City Hall, County Courthouse, Municipal Plaza, San Fernando Cathedral, and other key downtown sites.
- ◆ **3.2 (5) – Continue implementation of the Neighborhood Commercial Revitalization Programs (Lead: COSA-NAD)**
Neighborhood Commercial Revitalization projects being implemented in eight target areas – Austin Highway, Deco District, East-Town & Commerce, Historic East Houston, New Light Village, MidTown on Blanco, Presa Real, and Southtown. Current NCR revitalization projects have realized \$566,350 in private investment and 56 new jobs through March, 2002.
- ◆ **3.2 (6) – Leverage the City's Federal Empowerment Zones, State Enterprise Zones, and Defense Zones (Lead: COSA-EDD)**
City of San Antonio was approved as a Federal Empowerment Zone in January 2002 providing business incentives to companies located in the Enterprise Zone. The Enterprise Zone area is the inner city and three developable sites, including KellyUSA and Brooks City-Base. Community-wide workshops to be held in early 2003. Boeing and Lockheed Martin defense zone projects (KellyUSA) have generated more than 4,000 jobs to date.

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- ◆ **3.2 (7) – Implement strategy for Brooks City-Base, a technology and business center (Lead: Brooks Development Authority)**
 Brooks Air Force Base transferred to the Brooks Development Authority in July 2002. The Brooks Development Authority is partnering with its Air Force tenants and others to develop and implement strategies to foster creation and growth of technology businesses, encourage incubation of new technologies, and secure long-term viability of biotechnology research capability at Brooks City-Base.

- ◆ **3.2 (8) – Identify social issues that may be addressed as business opportunities (Lead: COSA-EDD)**
 Strategy components include encouragement of infill development through the newly-created Empowerment Zone and the City's current Tax Phase-In Program. Since 1990, 69 TPI agreements have been approved (50 still active or pending), generating an investment of \$1.17 billion in real and personal property and 13,920 direct jobs.

- ◆ **3.2 (9) – Increase net disposable income of residents by reducing high cost of residential lending (Lead: COSA-CI)***
 The Community Initiatives Department offers Financial Literacy Courses, Free Income Tax Services for low-income working families, and Financial Counseling (group and individual sessions) to provide information on sub-prime and predatory lending, payday lending pitfalls, first time homebuyers, and related topics.

- ◆ **4.1 (1) – Establish San Antonio, Inc. and formalize structure (Lead: COSA-EDD)**
 The SA Inc. leadership structure was established by City Council action on May 24, 2001 to replace the former San Antonio Economic Development Coordinating Council. The original 37-item *Strategic Plan for Enhanced Economic Development* was also approved on that date following an extensive public input process.

- ◆ **4.1 (2) – Ensure accountability by having SA Inc. report to a Governing Board (Lead: SA Inc. Executive Board)**
 An Executive Board comprised of the executive officers of sixteen key economic stakeholders coordinates implementation, develops initiatives, and maintains performance measures. A Board of Governors comprised of the chairs of 16 institutional stakeholder organizations meets at least annually to review progress.

- ◆ **4.2 (1) – Measure, evaluate, and report economic development results (Lead: SA Inc. Executive Board)**
 On June 18, 2002, the Executive Board approved a reporting/accountability format and process developed by SA Inc. staff to track current status, upcoming action steps, and desired outcomes/results for all strategy elements. Detailed tracking sheets have been prepared for all 43 strategies. These are being frequently updated.

- ◆ **4.2 (2) – Conduct an annual Economic Roundtable to address initiatives in the region (Lead: SA Inc. Executive Board)**
 The first annual SA Inc. Economic Roundtable will take place February 25, 2003 at the HBG Convention Center. The purpose of the Roundtable will be to report strategic plan results to key stakeholders and community leaders, and provide an opportunity to revise and update the strategic plan.

- ◆ **4.2 (3) – Make adjustments when measures indicate the need for new strategies (Lead: SA Inc. Executive Board)**
 A working group comprised of Executive Board members and representatives has already recommended 8 new strategies, 2 merged strategies, and refinements to 17 existing strategies. Additional strategies and/or refinements to existing strategies will likely be addressed as part of the Economic Roundtable on February 25, 2003.

Key:

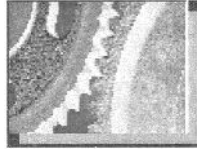
- ◆ **Strategies with implementation plan in place; partially or substantially implemented.**
- **New strategies under development, or existing strategies undergoing revision.**

* Strategies 1.1(9), 1.1(10), 1.1(11), 3.1(6), 3.1(7), and 3.2(9) are additional strategies derived from the *Mayor's Blue Ribbon Commission* process. Strategies 1.3(1) and 1.3(2) are proposed new strategies under development by the SA Inc. Executive Board. In addition, previous Strategies 1.2(3) and 2.2(4) have been recommended for merger with Strategies 1.1(7) and 1.1(5), respectively. All recommended changes are subject to final approval by City Council.

ACCD—Alamo Community College District	EDF—Economic Development Foundation
AWD—Alamo Workforce Development	NAD—Neighborhood Action Development
COSA—City of San Antonio	SAMCO, Inc.—San Antonio Mobility Coalition, Inc.
CI—Community Initiatives Department	SATAI—San Antonio Technology Accelerator Initiative
CPS—City Public Service	UTHSCSA—University of Texas Health Science Center at San Antonio
CVB—Convention & Visitors Bureau	UTSA—University of Texas at San Antonio
EDD—Economic Development Department	SBDC—Small Business Development Center

San Antonio, Inc.

A Community's Economic Collaborative



Executive Board

Alamo Area Council of Governments
Alamo City Chamber of Commerce
Alamo Community College District
Alamo Workforce Development
Bexar County
City of San Antonio
City Public Service
Greater San Antonio Chamber of Commerce
North San Antonio Chamber of Commerce
San Antonio Economic Development Foundation
San Antonio Hispanic Chamber of Commerce
San Antonio Water System
South San Antonio Chamber of Commerce
UTSA Institute for Economic Development

Directors/Resource Tier:
65 Public & Private Sector Economic Development Partners



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